

EXECUTIVE SECRETARIAT

## ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/OCA				
14	D/PAO				
15	D/PERS				
16	D/Ex Staff				
17	D/NIESO		X		
18					
19					
20					
21					
22	ER				
SUSPENSE		Date			

Remarks

STAT

Executive Secretary

8 April 88

Date

2627 (10-81)

88-1369x



## Federal Emergency Management Agency

Washington, D.C. 20472

STAT

[Redacted]  
Emergency Coordinator  
Central Intelligence Agency  
Office of Executive Director  
Washington, D.C. 20505

APR 1 - 1988

STAT

Dear [Redacted]

Enclosed is a copy of Director Becton's March 31, 1988, letter which transmits the revised E.O. 10480 for formal comment and clearance to the Office of Management and Budget. This Executive Order provides mobilization preparedness policy guidance and implements Defense Production Act programs.

The National Security Council circulated this revised Executive Order to the National Mobilization Interagency Group members. It's my understanding the General Counsel of the Office of Management and Budget will be requesting department and agency comments in the very near future.

If you have any questions about the revised Executive Order, please contact Clair K. Blong (646-3052) of the Mobilization Resources Division.

Sincerely,

Paul K. Krueger  
Assistant Associate Director  
for Mobilization Preparedness

Enclosures



✓ L-264-IR

✓ L-108-IR 88



# Federal Emergency Management Agency

Washington, D.C. 20472

MAR 31 1988

The Honorable James C. Miller III  
Director, Office of Management  
and Budget  
Old Executive Office Building  
Washington, D.C. 20503

Dear Mr. Miller:

In accordance with the National Security Emergency Preparedness (NSEP) priorities established by Mr. Carlucci on September 15, 1987, and pursuant to Section 610 of Executive Order 10480, I am proposing revision of this Order which implements the mobilization preparedness authorities of the Defense Production Act (DPA) of 1950, as amended.

Since Executive Order 10480 was issued in August 1953, there have been significant organizational, legislative, and functional changes in the Government that require changes in this Order. This revision improves our national security resource preparedness capability and provides a comprehensive and timely statement of DPA mobilization preparedness programs.

The proposed revisions are essential to the effective management of the Nation's resource preparedness programs by the Federal agencies. These revisions were developed and reviewed by the departments and agencies participating in the Mobilization Readiness Subgroup of the National Mobilization Interagency Group (NMIG). Outstanding issues were resolved by the NMIG and this proposed Order is consistent with Executive Order 11490 and National Security Decision Directives 47 and 188.

The major changes to Executive Order 10480 include:

- provides policy guidance on resource preparedness;
- delegates the principal of Defense Production Act mobilization authorities uniformly to the major resource departments;
- emphasizes exercising of resource preparedness capabilities; and
- updates definitions and removes obsolete sections.

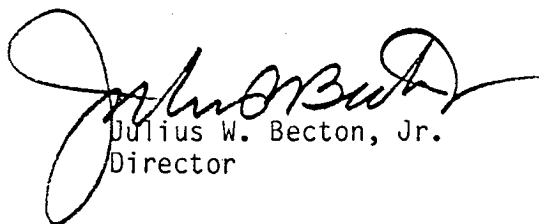
With respect to the proposed delegation of DPA Title I, priorities and allocations to the Secretary of Health and Human Services for the use of medical facilities and distribution of medical supplies, I am requesting that the Attorney General review whether DPA authorities support this use.

2

I believe the revised Executive Order provides policy and organizational assignments necessary to effectively and efficiently develop and implement the resource preparedness programs for national defense mobilization needs.

Thank you for your assistance in expediting clearance of this important Executive Order which is one the Administration's NSEP priorities. Its approval and promulgation will represent a significant step in the President's effort to improve our resource mobilization preparedness capabilities.

Sincerely,



Julius W. Becton, Jr.  
Director

Enclosure

EXECUTIVE ORDER

- - - - -

NATIONAL SECURITY RESOURCES PREPAREDNESS

WHEREAS the United States must have the capability to rapidly mobilize its resources in response to any national security emergency; and

WHEREAS resources preparedness capability is an important element in our deterrence posture, and a prerequisite to sustaining our armed forces and ensuring that essential civilian needs are met during a national security emergency; and

WHEREAS the United States must have the ability to respond to actions occurring outside the United States which could result in the reduction of the availability of strategic and critical materials, including energy, and which could adversely affect the national defense preparedness of the United States; and

WHEREAS to effectively reduce the time for full mobilization and to promote the national defense, it may be necessary to require the priority performance of contracts and to allocate materials and facilities that are essential to the national defense; and

WHEREAS effective planning for the expansion of the productive capacity and supply is required to provide for sufficient and timely availability of resources to meet the military and essential civilian requirements during a national security emergency; and

WHEREAS the Congress has directed that plans, programs and policies, be developed as necessary to achieve a timely response to such mobilization needs during a national security emergency;

NOW, THEREFORE, by virtue of the authority vested in me as President by the Constitution and laws of the United States of America, the National Security Act of 1947, as amended, and the Defense Production Act, of 1950, as amended, it is hereby ordered that the responsibilities of the Federal departments and agencies shall be as follows-

THE WHITE HOUSE,

EXECUTIVE ORDER \_\_\_\_\_

NATIONAL SECURITY RESOURCES PREPAREDNESS

PART 1 - PURPOSE, POLICY AND IMPLEMENTATION

Section 101. Purpose.

(a) This Order delegates authority and addresses national security resources preparedness policies and programs under the Defense Production Act of 1950, as amended (hereinafter referred to as the Act) except for the amendments to Title III of the Act in the Energy Security Act of 1980 and telecommunication authorities under E.O. 12472. These delegations, functions, and activities ensure national defense preparedness and provide the foundation for mobilizing essential resources for national security needs.

(b) The programs authorized under the Act are consistent with the national security emergency preparedness responsibilities assigned to the departments and agencies under E.O. 11490, as amended.

Sec. 102. Policy.

(a) The United States must have the capability to rapidly mobilize its resources in response to any national security emergency. Therefore, to achieve timely and sufficient availability of resources in a national emergency to meet military and essential civilian requirements, and to lend credibility to national security strategy and policy, mobilization and sustainability plans must maximize the potential contributions of the United States' resources base.

(b) Resources preparedness capability is an important element in our deterrence posture, and a prerequisite to sustaining our armed forces and ensuring that essential civilian needs are met during a national security emergency. It is also a critical factor in responding to the material needs of our allies.

(c) Resources preparedness capability also must include an ability to respond to actions occurring outside the United States which could result in the reduction of the availability of strategic and critical materials, including energy, and which could adversely affect the national defense preparedness of the United States.

Sec. 103. Implementation. To provide the foundation for the United States to mobilize essential resources rapidly and effectively to meet national security needs, the federal departments and agencies shall:

(a) Identify mobilization requirements for the full spectrum of national security emergencies, including both military and essential civilian demand;

(b) Identify and analyze periodically the resources and infrastructure base capacities and relevant economic and technological trends, and maintain a current evaluation of their impact on national security objectives;

(c) Identify options and develop solutions for constraints and shortfalls in industrial production and infrastructure resources in meeting military and essential civilian requirements;

(d) Maximize response to warning indicators to ensure the availability of adequate industrial production and supply for national defense requirements;

(e) Consider resources responsiveness capability in the development of national strategy, military operation plans, and the acquisition process;

(f) Utilize capabilities of the North American defense resources base and explore cooperative opportunities with other friendly nations in the Western Hemisphere;

(g) Plan for the conversion of civilian industry and substitution of commercial manufacturing technologies, components, and materials, to meet specific national defense needs in an emergency; and

(h) Assess U.S. resources, industrial and infrastructure capabilities to provide support to allies in an emergency and determine allied capability to support U.S. requirements.

## PART 2 - RESOURCES PREPAREDNESS PROGRAMS

### Sec. 201. Coordination and Guidance.

(a) The National Security Council is the principal forum for consideration of national security resources preparedness policy.

(b) The Director of the Federal Emergency Management Agency, referred to hereinafter in this Order as Director, shall serve as an advisor to the National Security Council on issues of national security resources preparedness, including mobilization preparedness.

(c) The Director shall, on behalf of the President, coordinate all mobilization activities of the executive branch of the Government. The head of every department and agency assigned functions under this Order shall perform these functions in concert with the coordination and guidance of the Director.

(d) The functions of the Director under this Order, shall include:

(1) Performing the central coordinating functions incident to the determination of the production, distribution, priorities, and allocations programs required to meet national defense needs;

(2) Approving department and agency plans and programs for priorities and allocations support, and certification under subsection 202(c) of this Order as necessary or appropriate to promote the national defense and to assure the coordinated implementation of the Title I authority of the Act;



(3) Approving department and agency plans for the expansion of industrial capacity and supply under the Title III authority of the Act, and for the making of voluntary agreements under the authority of section 708 of the Act, to assure the coordinated and effective implementation of these authorities;

(4) Issuing policy and program guidance to departments and agencies of the Government to assist them in carrying out the functions assigned to them by this Order, to assure that the priorities and allocation authorities delegated under this order only are used as necessary and appropriate to promote the national defense, and to resolve interagency issues which otherwise would require the attention of the President;

(5) Establishing standards for the recruitment of experienced persons from the civilian economy to provide additional federal personnel in an national security emergency, and coordinating interagency training programs and exercises for such persons; and

(6) Reporting to the President periodically concerning all mobilization preparedness programs under this Order;

Sec. 202. Priorities and Allocations.

(a) The authorities delegated and functions assigned under this section shall be in concert with the functions of the Director under the provisions of this Order.

(b) The authority of the President, under subsection 101(a) of the Act, to (1) require priority in the performance of contracts or orders (other than contracts of employment) to promote the national defense, and to require acceptance and performance in preference to other contracts or orders, and (2) to allocate materials and facilities as deemed necessary or appropriate to promote the national defense, is delegated to the following agency heads:

(1) The Secretary of Agriculture with respect to food resources and the domestic distribution of farm equipment and commercial fertilizer.

(2) The Secretary of Energy with respect to all forms of energy.

(3) The Secretary of Health and Human Services with respect to health resources.

(4) The Secretary of Transportation with respect to all forms of civil transportation.

(5) The Secretary of Defense with respect to water resources.

(6) The Secretary of Commerce with respect to all other materials and facilities, including construction materials.

(c) The authority delegated by this section only may be used to support programs that have been certified in writing as necessary or appropriate to promote the national defense by:

(1) The Secretary of Defense with respect to military construction, military production, military assistance to any foreign nation, stockpiling, or other directly related national defense activity;

(2) The Secretary of Energy with respect to energy production, construction, distribution or use and directly related activity;

(3) The Administrator of National Aeronautics and Space with respect to the space program and directly related activity;

(4) The Secretaries assigned functions under this section with respect to those resources assigned to each Secretary; or

(5) The Director with respect to continuity of government and civil defense.

A copy of the certification required under this subsection shall be provided to the Director.

(d) The Secretary of each department assigned functions under subsection 202(b) of this Order is delegated the authority of the President to make the finding required under subsection 101(b) of the Act and upon such finding to use the authority of the President under subsection 101(a) of the Act to control the general distribution of any material (including applicable services) in the civilian market, in cases where such material is a scarce and critical material essential to the national defense and where the requirements of the national defense for such material cannot otherwise be met without creating a significant dislocation of the normal distribution of such material in the civilian market to such a degree as to create appreciable hardship.

(e) Findings made under or pursuant to and for the purposes of subsection 101(b) of the Act shall not be effective until approved by the Director.

(f) The Secretary of Commerce is delegated authority to perform the functions provided by subsection 101(c)(1) of the Act to require the allocation of, or the priority performance under contracts (other than contracts of employment) relating to, supplies of materials (other than energy) and equipment to maximize domestic energy supplies, and the functions provided by paragraph (3) of subsection 101(c) of the Act with respect to the findings that the supplies of materials and equipment are scarce and that it is necessary to exercise the authority provided by paragraph (1) of subsection 101(c).

(g) The Secretary of Energy is delegated authority to perform the functions provided by subparagraph (3)(A) of subsection 101(c) of the Act with respect to making the findings that certain supplies of materials and equipment are critical and essential to the maintenance or furtherance of exploration, production, refining, transportation, or the conservation of energy supplies, or for the construction and maintenance of energy facilities.

(h) The Secretary of Energy is also delegated the authority to perform the functions provided by paragraph (1) of subsection 101(c) of the Act to require the allocation of, or the priority performance under contracts (other than contracts of employment) with respect to any form of energy, in order to maximize domestic energy supplies, and the functions provided by paragraph (3) of subsection 101(c) of the Act with respect to the findings required before the authority under subsection 101(c) can be exercised.

(i) The Director is delegated the authority of the President, under paragraph (4) of subsection 101(c) of the Act, to take such action as may be appropriate to assure that the authority conferred by subsection 101(c) of the Act is being exercised in a manner which assures the coordinated administration of such authority with any priorities or allocations established under subsection 101(a) of the Act and in effect during the same period.

Sec. 203. Expansion of Productive Capacity and Supply.

(a) The authorities delegated and functions assigned under this section shall be in concert with the functions of the Director under the provisions of this Order.

(b) The head of each department assigned functions under subsection 202(b) of this Order, the Administrators of General Services and National Aeronautics and Space, and the head of any other Government department or agency engaged in procurement for the national defense (referred to as "guaranteeing agency official" in this section), shall develop and promote measures for the expansion of productive capacity and of production and supply of materials and facilities necessary for the national defense. They shall take into consideration North American and other allied requirements and capabilities when developing these measures.

(c) Each guaranteeing agency official is authorized, as provided in section 301 of the Act, and, subject to the provisions of this section, in order to expedite production and deliveries or services under Government contracts, and without regard to provisions of law relating to the making, performance, amendment, or modification of contracts, to guarantee in whole or in part any public or private financing institution (including any Federal Reserve Bank), by commitment to purchase, agreement to share losses, or otherwise, against loss of principal or interest on any loan, discount, or advance, or on any commitment in connection therewith, which may be made by such financing institution for the purpose of financing any contractor, subcontractor, or other person in connection with the performance of any contract or other operation deemed by the guaranteeing agency official to be necessary to expedite production and deliveries or services under Government contracts for the procurement of materials or the performance of services for the national defense. This authority may also be used for the purpose of financing any contractor, subcontractor, or other person in connection with or in contemplation of the termination, in the interest of the United States, of any contract made for the national defense. However, no small business concern (as defined in the Small Business Act, as amended) shall be held ineligible for the issuance of such guaranty by reason of alternative sources of supply.

(d) Each Federal Reserve Bank is designated and authorized to act, on behalf of any guaranteeing agency official, as fiscal agent of the United States in the making of such contracts of guarantee and in otherwise carrying out the purposes of section 301 of the Act, with respect to private financing institutions. All actions and operations of Federal Reserve Banks, under the authority of the Act, shall be subject to the supervision of the Board of Governors of the Federal Reserve System. The Board is authorized,

after consultation with the guaranteeing agency officials, (i) to prescribe such regulations governing the actions and operations of fiscal agents hereunder as it may deem necessary, (ii) to prescribe, either specifically or by maximum limits or otherwise, rates of interest, guarantee and commitment fees, and other charges which may be made in connection with loans, discounts, advances, or commitments guaranteed by the guaranteeing agency officials, and (iii) to prescribe regulations governing the forms and procedures (which shall be uniform to the extent practicable) to be utilized in connection with such guarantees.

(e) The Secretary of each department assigned functions under subsection 202(b) of this Order, the Administrators of General Services and National Aeronautics and Space, and the head of any other Government department or agency engaged in procurement for the national defense, may purchase and make commitments to purchase metals, minerals, and other materials, for Government use or resale, as authorized under section 303 of the Act: Provided, that the Secretary of Agriculture may also exercise the functions under section 303 of the Act with respect to food resources, and with respect to plant fibers (except abaca) not included in the definition of food resources to the extent that the procurement of such fibers involves the encouragement and development of sources of supply within the United States and its Territories and possessions.

(f) The Secretary of the Interior in consultation with the National Defense Stockpile Manager is authorized and directed to encourage the exploration, development and mining of critical and strategic minerals and metals, and to make provision for the development of substitutes for strategic and critical materials, as authorized under section 303 of the Act.

(g) The Secretary of each department assigned functions under subsection 202(b) of this Order, the Administrators of General Services and National Aeronautics and Space, and the head of any Government department or agency engaged in procurement for the national defense may make subsidy payments, determine the amounts, manner, terms, and conditions thereof, and make findings, as authorized under subsection 303(c) of the Act.

(h) The functions conferred upon the President by subsection 303(e) of the Act with respect to the installation of additional equipment, facilities, processes, or improvements to plants, factories, and other industrial facilities owned by the United States Government, and with respect to the installation of Government-owned equipment in plants, factories, and other industrial facilities owned by private persons, are delegated to the Secretary of each department assigned functions under subsection 202(b) of this Order, the Administrators of General Services and National Aeronautics and Space, and the head of any other Government department of engaged in procurement for the national defense.

(i) The function conferred upon the President by subsection 303(f) of the Act, with respect to making judgments that metals, minerals, and materials acquired pursuant to the provisions of section 303 of the Act are excess to the needs of the programs under the Act and should be transferred to the National Defense Stockpile, is delegated to the head of any department or agency engaged in procurement under the provisions of section 303 of the Act, provided, however, that such judgments are to be made only after the National Defense Stockpile Manager has deemed that such a transfer is in the public interest.

(j) The Secretary of the Treasury, referred to in this section as the Secretary, is authorized and directed to:

(1) Make loans (including participation in, or guarantees of, loans) to private business enterprises (including research corporations not organized for profit) for the expansion of capacity, the development of technological processes, and the production of essential materials, including the exploration, development, and mining of strategic and critical metals and minerals, exclusive of such expansion, development and production in foreign countries, as authorized under section 302 of the Act. The functions assigned to the Secretary by this section include the administration and servicing of all loans (including participation in, or guarantees of, loans) made by the Reconstruction Finance Corporation prior to September 29, 1953, pursuant to section 302 of the Act.

(2) Loans under this subsection shall be made upon such terms and conditions as the Secretary shall determine, shall be made only after the Secretary has determined in each instance that financial assistance is not available on reasonable terms from private sources or from other governmental sources, and shall be made only upon certificate of essentiality of the loan, which certificate shall be made in consultation with the Director.

(3) Applications for loans under paragraph (1) of this subsection shall be received from applicants by the heads of such departments or agencies as the Secretary shall designate for this purpose.

(k) The Export-Import Bank of Washington is authorized and directed to:

(1) Make loans (including participation in, or guarantees, of loans) to private business enterprises, for the expansion of capacity, the development of technological processes, and the production of essential materials, including the exploration, development, and mining of strategic and critical metals and minerals, in those cases where such expansion, development or production is carried on



in foreign countries, as authorized under section 302 of the Act.

(2) Loans under this subsection shall be made upon such terms and conditions as the said Bank shall determine, only after the Bank has determined in each instance that financial assistance is not available on reasonable terms from private sources and that the loan involved cannot be made under the provisions of and from funds available to the Bank under the Export-Import Bank Act of 1945, as amended, and only upon certificate of essentiality of the loan, which certificate shall be made in consultation with the Director.

(3) Applications for loans under this subsection shall be received from applicants by the Bank or by the heads of such departments or agencies as the Bank shall designate for this purpose.

(1) The head of each department and agency of the Government engaged in the procurement for national defense under this Order shall make recommendations to the Director for approval or other action under sections 302 and 303 of the Act with respect to the materials and facilities which are within the jurisdiction of such department or agency.

(m) The determination required to be made under paragraph (3) of subsection 301(a), paragraph (2) of subsection 302(b), and subsection 303(a) of the Act, with notification of this determination given to the Director, shall be made by the head of each department or agency making the guarantee, loan, or other action under the authority of sections 301, 302, or 303 of the Act; Provided, That, except during periods of national emergency, no guarantee or loan may be made, or other action taken, unless the industrial resource shortfall to be corrected, as specified in subparagraph (1)(A) of subsection 301(e), paragraph (1) of subsection 302(c), or subsection 303(a) of the Act, has been identified in the Budget of the United States, or amendments thereto, submitted to the Congress, and is accompanied by a

statement from the Director demonstrating that the budget submission is in accordance with the provisions of paragraph (3) of subsection 301(a) of the Act.

Sec. 204. National Defense Executive Reserve.

(a) There shall be in the Executive Branch of the Government a National Defense Executive Reserve composed of persons of recognized expertise from various segments of the civilian economy for training for employment in executive positions in the Federal Government in the event of a national security emergency that requires such employment.

(b) Retired government executives are eligible for the National Defense Executive Reserve, but current Federal Government employees are not to be considered for membership. In addition, state and local government employees and military and national guard personnel who have emergency assignment within their own organization, shall not be considered for membership. Persons appointed under section 207 of this Order also may be members of an Executive Reserve unit in the same department or agency and may be activated as either a full-time paid Federal employee or a "without compensation employee" in an emergency.

(c) The head of any department or agency (referred to in this section as the agency head), after consultation with and authorization by the Director, may establish a unit of the Executive Reserve in that department or agency.

(d) The Director shall coordinate the National Defense Executive Reserve program activities of other agencies in establishing units of the Reserve; provide for appropriate standards of recruitment and training; and issue necessary rules and regulations in connection with the program. In carrying out these responsibilities, the Director may utilize the services of other departments and agencies and private sector organizations, institutions, and enterprises in the development of training programs and materials.

(e) An agency head may designate an individual to serve

as a member of an Executive Reserve unit of that department or agency, for a period not to exceed five years, provided, the agency head:

(1) Submits the name of the prospective designee to the Director to avoid duplicate emergency assignments;

(2) When an individual whose membership in an Executive Reserve unit is about to expire or has expired, makes the redesignation as a member under the procedure set forth in paragraph (1) of this subsection.

(f) An agency head may terminate the membership of any individual in an Executive Reserve unit at any time.

(g) Activities of any person by reason of the person's service as an Executive Reservist under this Order shall not include acting or advising on any matter pending before any department or agency during pre-call-up volunteer service but shall be limited to receiving training for mobilization assignments under the Executive Reserve program, except during national emergencies.

Sec. 205. Labor Supply. The Secretary of Labor referred to in this section as the Secretary, shall utilize the following assigned functions so as to meet most effectively the labor needs of defense industry and essential civilian employment. The Secretary shall:

(a) Collect, analyze, maintain employment and other data needed to make a continuing appraisal of the Nation's labor requirements for defense and other activities and the supply of workers. All agencies of the Government shall cooperate with the Secretary in furnishing information necessary for this purpose;

(b) Consult with and advise each agency head assigned functions under section 202(b) of this Order and each official of the Government exercising guarantee or loan functions under section 203 of this Order concerning (1) the effect of contemplated actions on labor supply and utilization, (2) the relation of labor supply to materials

and facilities requirements, and (3) such other matters as will assist in making the exercise of priority and allocations functions consistent with effective utilization and distribution of labor;

(c) Formulate plans, programs, and policies for meeting defense and essential civilian labor requirements. Project skill shortages to meet defense and critical civilian needs and establish training programs;

(d) Utilize the public employment service system, and enlist the cooperation and assistance of management and labor to carry out these plans and programs and accomplish their objectives;

(e) Determine the occupations critical to meeting the labor requirements of defense and essential civilian activities and with the Secretary of Defense, the Director of Selective Service, and such other persons as the Director may designate, develop policies applicable to the induction and deferment of personnel for the armed services, except for civilian personnel in the reserves; and

(f) Administer an effective labor-management relations policy to support Defense Production Act activities with the cooperation of other Federal agencies including the National Labor Relations Board and the Federal Mediation and Conciliation Service.

Sec. 206. Voluntary Agreements.

(a) In concert with the functions of the Director under the provisions of this Order, the functions conferred upon the President by paragraph (1) of subsection 708(c) and subsection 708(d) of the Act, are delegated to the Director, the Secretary of each department assigned functions under subsection 202(b) of this Order, the Administrators of General Services and National Aeronautics and Space, and the head of any other Government department or agency engaged in procurement for the national defense, except that for the purposes of carrying out the objectives of Title I of the

Act, the authority granted in paragraph (1) of subsection 708(c) of the Act shall be exercised only by the Director.

(b) The functions conferred upon the President by subsection 708(d) of the Act and delegated under this section, relating to the establishment of advisory committees, shall be exercised only after consultation with, and in accordance with guidelines and procedures established by the Administrator of General Services.

Sec. 207. Appointment of Certain Persons.

(a) The head of each department or agency assigned functions under this Order is delegated authority under subsections 710(b) and (c) of the Act to employ persons of outstanding experience and ability without compensation, and to employ experts, consultants or organizations thereof. The authority delegated by this subsection shall not be redelegated.

(b) The appointment or employment of persons or organizations under authority of subsections 710(b) and (c) of the Act shall be guided by the following policies:

(1) So far as possible appointments under this authority shall be to advisory or consultative positions only;

(2) Appointments to positions other than advisory or consultative may be made only when the requirements of the position are such that the incumbent must personally possess outstanding experience and ability not obtainable on a full-time, salaried basis;

(3) In assignment of their duties, the head of the department or agency involved shall take steps to avoid, to as great an extent as possible, any conflict between the Government duties and the private interests of such personnel; and

(4) When policy matters are involved, such personnel shall be limited to advising appropriate, full-time Government officials who are responsible for making policy

decisions.

(c) Appointments made under subsection (a) of this Section shall include a written certification by the head of the employing department or agency and a written statement supporting the certification that:

(1) The appointment is necessary and appropriate in order to carry out the provisions of the Act;

(2) The duties of the position to which the appointment is being made require outstanding experience and ability;

(3) The appointee has the outstanding experience and ability required by the position; and

(4) The agency has been unable to obtain a person with the qualifications necessary on a full-time, salaried basis.

(d) Each agency making appointments under subsection 710(b) of the Act shall publish in the Federal Register the information required by paragraph (6) of subsection 710(b) of the Act.

(e) In determining what interests must be disclosed under paragraph (6) of subsection 710(b) of the Act:

(1) The term "owns" or "has owned" is defined to mean any legal or equitable, vested or contingent, interest, however held. The names of corporations, partnerships, or other businesses in which a legal interest is owned by the appointee in a fiduciary capacity shall be listed only when any beneficiary is the spouse, parent, child, brother, or sister of the appointee.

(2) The term "other financial interests" includes any direct or indirect interests in the pecuniary profits or contracts of corporations, partnerships, or other businesses, including salaries, commissions, bonuses, options, retirement benefits, severance pay, or like interests, but excludes insurance policies of insurance companies in which the sole interest of the appointee is that policy.

(f) Persons employed under subsection 710(b) or (c) of the Act may be allowed transportation and not to exceed the

authorized per diem in lieu of subsistence while away from their homes or regular places of business pursuant to such appointment. Person employed pursuant to the authority delegated by subsection 710(c) of the Act may also be compensated at rates not in excess of those authorized by the Act.

(g) All persons appointed under subsection 101(a) of Executive Order No. 10647, as amended, who are still employed on the date of this Order shall comply with this section, and, upon compliance, shall be deemed for all purposes to have been appointed under this Order and subject to its provisions.

(h) At least once every twelve months the Director of the Office of Personnel Management shall survey appointments made under subsection 710(b) of the Act, and shall report the results of such survey to the President and the Congress as required by paragraph (7) of subsection 710(b) of the Act.

### PART 3 - GENERAL PROVISIONS

#### Sec. 301. Definitions. As used in this Order:

(a) "Civil transportation" shall include without limitation, related public storage and warehousing, service, equipment, facilities and systems, and transportation carrier shop and repair facilities, but shall exclude petroleum, gas and coal slurry pipelines, and food resource facilities.

(b) "Energy" shall mean all forms of energy including petroleum, gas (both natural and manufactured), electricity, solid fuels (including all forms of coal, coke, coal chemicals, coal liquification and coal gasification) and atomic energy, and the production, conservation, use, control and distribution (including pipelines) of all of these forms of energy.

(c) "Farm equipment" shall mean equipment, machinery, and repair parts manufactured for use on farms in connection with the production or preparation for market use of food

resources.

(d) "Fertilizer" shall mean any product or combination of products which contains one or more of the elements--nitrogen, phosphorus, and potassium--for use as a plant nutrient in useable form for distribution to users thereof.

(e) "Food resources" shall mean all commodities and products, simple, mixed, or compound, or complements to such commodities or products, that are capable of being consumed by either human beings or animals, irrespective of other uses to which such commodities or products may be put, at all stages of processing from the raw commodity to the products thereof in vendible form for human or animal consumption. For the purposes of this order, the term "food resources" shall also include all starches, sugars, vegetable and animal fats and oils, cotton, tobacco, wool, mohair, hemp, flax fiber, and naval stores, but shall not include any such material after it loses its identity as an agricultural commodity or agricultural product.

(f) "Food resource facilities" shall mean plants, machinery, vehicles (including on-farm), and other facilities for the production, processing, distribution, and storage (including cold storage) of food resources, and for the domestic distribution of farm equipment, fertilizer, and livestock and poultry feed and seed (excludes transportation).

(g) "Functions" includes powers, duties, authority, responsibilities and discretion.

(h) "Health resources" shall mean materials, facilities use, health supplies and equipment (including pharmaceutical, blood collecting and dispensing supplies, biological, surgical textiles and emergency surgical instruments and supplies) required to prevent the impairment of, improve, and restore the physical and mental health conditions of the population.



(i) "Materials" includes raw materials, articles, commodities, products, supplies, components, technical information, processes and services, but excludes special nuclear materials as defined in the Atomic Energy Act of 1954, as amended.

(j) "Metals and minerals" shall mean all raw materials of mineral origin (excluding petroleum, gas, solid fuels, and source materials as defined in the Atomic Energy Act of 1954, as amended) obtained by mining and like operations including their refining smelting, and/or processing, but excluding their fabrication.

(k) "Movement" shall include direction, control, coordination and the establishment of priorities and allocations of civil transportation capacity (services, equipment, facilities, and systems, except petroleum, gas and coal slurry pipelines) for the transport of persons and property by all modes of transportation in intrastate, interstate, or foreign commerce within the United States, its Territories and possessions, and the District of Columbia, irrespective of ownership.

(l) "National defense" means programs for military and atomic energy production or construction, military assistance to any foreign nation, stockpiling, space, and directly related activity.

(m) "Water resources" shall mean all usable water, from all sources, within the jurisdiction of the United States, which can be managed, controlled, and allocated to meet emergency mobilization requirements.

Sec. 302. Resources Preparedness and Readiness Exercises.

(a) For the purpose of determining the readiness status and monitoring the implementation of resources-mobilization policy and programs, departments and agencies shall provide appropriate data and information to the Director.

(b) All departments and agencies shall participate, as appropriate, in national security emergency preparedness exercises designed to demonstrate their resources-mobilization and emergency-management capabilities. The Director shall coordinate the planning, execution, and evaluation of such exercises.

Sec. 303. Functions.

(a) Except as otherwise provided in subsection (c) of this section, the functions vested in the President by Title VII of the Act, may be exercised and performed by the head of each department and agency in carrying out the assigned functions under the Act and this Order.

(b) The functions which may be exercised and performed pursuant to the authority of subsection (a) of this section shall include, but not by way of limitation, (1) except as otherwise provided in subsection 708(c) of the Act, the power to redelegate functions, and to authorize the successive redelegation of functions, to departments and agencies, officers, and employees of the Government, (2) the power to create an agency or agencies, under the jurisdiction of the officer concerned, to administer functions assigned by this Order, and (3) the power of subpoena with respect to the functions delegated in section 202 of this Order; Provided, That the subpoena power shall be utilized only after the scope and purpose of the investigation, inspection, or inquiry to which the subpoena relates have been defined either by the appropriate officer referred to in subsection (a) of this section or by such other person or persons as the officer shall designate.

(c) Excluded from the functions delegated by subsection (a) of this section are: the functions delegated by section 206 of this Order, and the authority with respect to fixing compensation under subsection 703(a) of the Act.

(d) (1) The authority of section 309 of the Act, with respect to the preparation and submission of annual reports

to the Congress concerning offsets shall be performed by the Director of the Office of Management and Budget who may further delegate to the heads of the departments and agencies responsibility for preparing and submitting for the Director's review particular sections of such reports. The heads of the departments and agencies shall, to the extent provided by law, provide the Director of the Office of Management and Budget with such information as may be necessary for the effective performance of these functions.

(2) In order to ensure that information gathered pursuant to this authority shall be subject to appropriate confidentiality protection, the United States International Trade Commission, which previously has been designated a central collection agency for this information under 44 U.S.C. 3509, is authorized, pursuant to section 705 of the Act, to collect the information required for compilation of the data base to be used in the preparation of the offset report to the Congress.

Sec. 304. Information. All departments and agencies shall furnish to the head of each department and agency assigned function under this Order, such information relating to defense production or procurement, or otherwise relating to the functions assigned to such officer under this Order, as may be required to perform those functions.

Sec. 305. Authority.

(a) All previously issued orders, regulations, rulings, certificates, directives, and other actions relating to any function affected by this Order shall remain in effect except as they are inconsistent with this Order or are subsequently amended or revoked under proper authority. Nothing in this Order shall affect the validity or force of anything done under previous delegations or other assignment of authority under the Act.

(b) The following are superseded or revoked:

- (1) Executive Order No. 10480 of August 14, 1953 (18 Fed. Reg. 4939).
- (2) Executive Order No. 10647 of November 28, 1955 (20 Fed. Reg. 8769).
- (3) Executive Order No. 11179 of Sept. 22, 1964 (29 Fed. Reg. 13239).
- (4) Sections 7 and 8, Executive Order No. 11912 of April 13, 1976 (41 Fed. Reg. 15825).
- (5) Executive Order No. 11355 of May 26, 1967 (32 Fed. Reg. 7803).
- (6) Section 5(a), Executive Order No. 12038 of February 3, 1978 (43 Fed. Reg. 4957).
- (7) Section 5-202, Executive Order No. 12148 of July 20, 1979 (44 Fed. Reg. 43239).
- (8) Executive Order 12521 of June 24, 1985 (50 Fed. Reg. 26335).

(c) Executive Order No. 11790, as amended, relating to the Federal Energy Administration Act of 1974, is amended by deleting "Executive Order No. 10480" where it appears in section 4 and substituting this Order's number.

(d) To the extent that any provision of any prior Executive Order is inconsistent with the provisions of this Order, the latter shall control and such prior provision is amended accordingly.

Sec. 306. Updating. Whenever the functions of any department or agency have been modified in such manner as to require the amendment of this Order, the Director shall promptly submit a proposal for amendment to the Director of the Office of Management and Budget in accordance with the provisions of Executive Order 11030, as amended.